

# COMMONWEALTH OF MASSACHUSETTS

## INTERDEPARTMENTAL SERVICE AGREEMENT FORM



This form is issued and published by the Office of the Comptroller (CTR) pursuant to 815 CMR 6.00 for use by all Commonwealth Departments. **Any changes to the official printed language of this form shall be void. This shall not prohibit the addition of non-conflicting terms.** By executing this Interdepartmental Service Agreement (ISA), the Buyer and Seller Departments, under the pains and penalties of perjury, make all certifications required by law and certify compliance with the following requirements: that the Seller Department is qualified and shall at all times remain qualified to perform this ISA; that performance shall be timely and meet or exceed ISA standards, including obtaining requisite licenses, permits and resources for performance; that the Buyer and Seller are legislatively authorized to enter into this ISA; that the Buyer and Seller Departments agree to maintain the necessary level of interdepartmental communication, coordination and cooperation to ensure the successful completion of the ISA; that the Buyer certifies that sufficient funds are available for this ISA; that the Seller Department is required to provide reports as specified in the ISA; that the terms of this ISA shall survive its termination for the purpose of resolving any claim, dispute or other action, or for effectuating any negotiated representations and warranties; that the Buyer and Seller agree that all terms governing performance of this ISA are attached to this ISA or incorporated by reference herein, including the Interdepartmental Service Agreement Instructions, all relevant Massachusetts state and federal laws, regulations, Executive Orders, treaties, and any corresponding policies and procedures issued by CTR; and that the Buyer and Seller are responsible for reviewing and complying with the Interdepartmental Service Agreement Instructions and ISA Policy and 815 CMR 6.00 available under Comptroller Policy Memo #306 (or as amended) available at [www.state.ma.us/osc/Account/marmemos/memos.htm](http://www.state.ma.us/osc/Account/marmemos/memos.htm).

MMARS DOCUMENT ID: _____ - _____ - _____ - _____	
<b>BUYER DEPARTMENT:</b>  MMARS 3-POSITION DEPARTMENT CODE: _____	<b>SELLER DEPARTMENT:</b>  MMARS 3-POSITION DEPARTMENT CODE: _____
<b>ISA MANAGER:</b>  PHONE: FAX: E-MAIL ADDRESS:	<b>ISA MANAGER:</b>  PHONE: FAX: E-MAIL ADDRESS:
<b>BUSINESS MAILING ADDRESS:</b>  _____ _____ _____	<b>BUSINESS MAILING ADDRESS:</b>  _____ _____ _____
<b>COMPENSATION:</b> <i>(Check and complete all that apply)</i> _____ Single Fiscal Year Financial ISA _____ Multiple Fiscal Year Financial ISA  Total Maximum Obligation for Duration of this ISA: \$ _____  Transaction Amount for current fiscal year obligation: \$ _____	<b>TRANSACTION DOCUMENTATION ATTACHED:</b> <i>(Check option that applies)</i> _____ ASTA Form <i>(when required to establish new Child Account)</i> _____ AC Transaction <i>(for total of current fiscal year obligation)</i> _____ SC Transaction <i>(for total duration of ISA, including outyears. Only allowable if Seller is a Higher Education State Department)</i> _____ Other <i>(only upon prior approval of CTR)</i>
<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <b>BUYER ACCOUNT INFORMATION</b> <i>(complete as many that apply)</i>             Parent Account: _____, Fund: _____            TO: _____             Parent Account: _____, Fund: _____            TO: _____             Parent Account: _____, Fund: _____            TO: _____             Parent Account: _____, Fund: _____            TO: _____         </div> <div style="width: 48%;"> <b>SELLER ACCOUNT INFORMATION</b> <i>(complete as many that apply)</i>             Child Account: _____, Fund: _____            Child Account: _____, Fund: _____            Child Account: _____, Fund: _____            Child Account: _____, Fund: _____         </div> </div>	
<b>BRIEF DESCRIPTION OF PERFORMANCE:</b> <i>(Reference to attachments without a narrative description of performance is insufficient.)</i>  _____ _____ _____	
<b>RFR REFERENCE NUMBER:</b> <i>(If Seller responded to a Buyer RFR or "N/A" if not applicable)</i>  _____	
<b>ANTICIPATED ISA EFFECTIVE START DATE:</b> Performance shall begin on _____, which shall be no earlier than the latest date this ISA is signed by authorized signatories of the Buyer and Seller Departments pursuant to 815 CMR 6.00.	
<b>TERMINATION DATE OF THIS ISA:</b> This ISA shall terminate on _____ unless terminated or amended by mutual written agreement by the parties prior to this date pursuant to 815 CMR 6.00.	
<b>AUTHORIZING SIGNATURE FOR THE BUYER DEPARTMENT:</b>  X: _____ <i>(Signature of Buyer Department's Authorized Signatory)</i>  DATE: _____ <i>(Date must be handwritten at time of signature)</i>	<b>AUTHORIZING SIGNATURE FOR THE SELLER DEPARTMENT:</b>  X: _____ <i>(Signature of Seller Department's Authorized Signatory)</i>  DATE: _____ <i>(Date must be handwritten at time of signature)</i>  NAME: _____

**COMMONWEALTH OF MASSACHUSETTS**  
**INTERDEPARTMENTAL SERVICE AGREEMENT**  
INSTRUCTIONS AND MMARS DOCUMENT ID: \_\_\_\_\_



NAME: \_\_\_\_\_  
TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

# INTERDEPARTMENTAL SERVICE AGREEMENT FORM

MMARS DOCUMENT ID: \_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_



## ATTACHMENT A - DESCRIPTION OF PERFORMANCE:

Check one: ☐ Initial ISA Description of Performance  
☐ Amendment to Description of Performance

Include a statement of purpose; justification for ISA; responsibilities of the parties; any relevant definitions; a schedule of performance or completion dates if applicable; resources to be committed to the ISA and any reporting requirements. Reference to attachments without a narrative description of performance is insufficient. If amending the description of performance, identify what performance is being amended. Attach any supporting documentation and reporting requirements. This Attachment Form must be used. Insert (type or copy and paste) all relevant information using as many pages as necessary. An electronic copy of this form is available in Policy Memo #306 under [Comptroller Policy Memos](#).

Indicate the Seller Department's reporting requirements:

# INTERDEPARTMENTAL SERVICE AGREEMENT FORM

MMARS DOCUMENT ID: \_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_ - \_\_\_\_



## ANTICIPATED BUDGET

Check one:     \_\_\_\_ Initial ISA Budget  
                   \_\_\_\_ ISA Budget Amendment. Enter Current Maximum Obligation of ISA before this Amendment: \$ \_\_\_\_\_

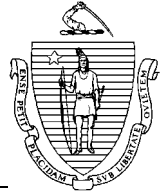
[See Instructions for Additional Guidance on completion. Insert as many additional lines as necessary.]

A	B	C	D	E	F	G	H
Fiscal Year	Seller Child Account	Subsidiary	Description	Current Amount	+/-	Amendment Amount	New Amount After Amendment
				\$		\$	\$
				\$		\$	\$
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FISCAL YEAR SUBTOTALS AND TOTAL MAXIMUM OBLIGATION FOR DURATION OF ISA			
FISCAL YEAR: _____	SUBTOTAL (or New Subtotal if Fiscal Year Subtotal being amended)		\$
FISCAL YEAR: _____	SUBTOTAL (or New Subtotal if Fiscal Year Subtotal being amend		\$
FISCAL YEAR: _____	SUBTOTAL (or New Subtotal if Fiscal Year Subtotal being amended)		\$
FISCAL YEAR: _____	SUBTOTAL (or New Subtotal if Fiscal Year Subtotal being amended)		\$
TOTAL MAXIMUM OBGLIGATON FOR DURATION OF ISA (or New Total Maximum Obligation if amended)			\$

Additional Budget Specifications:

**COMMONWEALTH OF MASSACHUSETTS  
INTERDEPARTMENTAL SERVICE AGREEMENT  
ISA FORM INSTRUCTIONS AND ISA POLICY**



**INTRODUCTION**

The Interdepartmental Service Agreement Form is issued by the Office of the Comptroller (CTR) pursuant to 815 CMR 6.00 for use by all Commonwealth Departments. The Interdepartmental Service Agreement Form Instructions and ISA Policy are provided to assist both Buyer and Seller Commonwealth Departments with the interpretation and completion of the Interdepartmental Service Agreement Form, and to provide guidance, policies and procedures for conducting ISAs. These Instructions, including policies, procedures and legal references, are incorporated by reference into the Interdepartmental Service Agreement Form (hereinafter referred to as the "ISA Form"). The ISA Form is the "Contract" that documents the business agreement (joint venture) between two Commonwealth departments within the Executive, Judicial and Legislative Branches of government. A Department must be recognized as a Department in the State Accounting System (hereinafter referred to as "MMARS") in order to transfer or receive funding under an ISA. The ISA must comply with funding language in any appropriation act funding the ISA, as well as all applicable general and special state or federal laws and regulations.

Buyer and Seller Departments must complete an ISA using the ISA Form issued by CTR. Since this form is issued electronically in Microsoft WORD®, Departments can insert required data and may also insert any additional terms or conditions that are not in conflict with 815 CMR 6.00 or the ISA Instructions and Policy. Departments may not change the content of the form.

An ISA includes (1) the **ISA Form** executed by authorized signatories of a Buyer and Seller Department; (2), **Attachment A – Description of Performance** (3) **Attachment B – Anticipated Budget**; and (4) the applicable MMARS Transaction(s) supporting the current fiscal year obligation under the ISA. The ISA is considered a "Contract". All contract execution and processing rules apply. Like any other contract, Departments must execute ISAs prior to the start of performance, so that full fiscal year funding can be in place when the fiscal year opens or in time to ensure timely encumbrance of funds and payment of Seller Department employees, contractors, grantees, etc., from the authorized ISA Seller child account(s), in accordance with Commonwealth policies.

**LINKS TO POLICIES, PROCEDURES AND LEGAL REFERENCES.** Text that appears underlined in the ISA Form, Instructions and ISA Policy indicates a "hyperlink" that will link you to an Internet or bookmarked site for the particular reference being cited. Pressing the "Alt" and "F9" keys while in the Microsoft® Word version of this document will display the full text of hyperlinks which can be copied and pasted or typed into your Internet browser address field if you can not connect directly to the Internet by clicking on a hyperlink. Hyperlinks to legal requirements such as statutes and regulations are links to unofficial versions of these documents. While reasonable efforts have been made to assure the accuracy of the data provided, Departments and Contractors should consult with their legal counsel to ensure compliance with all legal requirements. **PLEASE NOTE THAT NOT ALL APPLICABLE LAWS HAVE BEEN CITED IN THIS DOCUMENT. INSTRUCTIONS AND HYPERLINKS MAY BE ADDED OR CHANGED WITHOUT NOTICE, SO CHECK THIS DOCUMENT PERIODICALLY FOR UPDATES.**

**ROLE OF THE OFFICE OF THE COMPTROLLER.** All interdepartmental fiscal transactions are required to be made through the state accounting system as prescribed by the Comptroller. The Office of the Comptroller (CTR) will interpret 815 CMR 6.00 and take any actions necessary to carry out the purposes of 815 CMR 6.00, including issuing additional policies, procedures and forms to be used by Departments. CTR's oversight of Interdepartmental Fiscal Business is limited to review and processing of the fiscal transactions necessary to support an ISA and will not include a review of the underlying business decisions which lead to the submission of an ISA. Department's will be responsible for conducting Interdepartmental Fiscal Business using best value and other good business practices similar to any other contract or Department expenditure, and will be required to certify that the Interdepartmental Fiscal Business complies with all applicable state or federal general or special laws or regulations.

**CHIEF FISCAL OFFICER RESPONSIBLE FOR ISA MANAGEMENT.** The Chief Fiscal Officer (CFO) for the Buyer and Seller Departments will be responsible for management of ISAs within their Department in accordance with 815 CMR 6.00 and policies and procedures published by CTR. Management of ISAs shall include, but is not limited to; the evaluation of the ISA option based upon best value, ensuring timely ISA execution, processing of MMARS transactions prior to the start of ISA performance, meeting reporting requirements, timely payment of invoices in accordance with the Commonwealth's bill paying policy, monitoring ISA performance, and acting as the liaison for the Quality Assurance Program. Buyer and Seller Department ISA Managers designated for each ISA will be responsible for the administration of the ISA and will be the points of contact for ISA correspondence.

**ACCESS TO RECORDS AND REPORTING REQUIREMENTS.** Buyer Departments are entitled to "view only" access to state accounting system data of the Seller Department for ISA business purposes. (See [MMARS Memo #247A](#) for further information on statewide access.) In addition, Seller Departments are required to provide whatever progress, programmatic or expenditure reports to the Buyer Department, as specified in the ISA. Even if reports are not specified, the Seller Department is required to provide a detailed accounting of all expenditures, encumbrances, planned encumbrances, any information in the state accounting or payroll system related to ISA expenditures, access to any ISA records, or on-site access to monitor ISA performance, upon

**COMMONWEALTH OF MASSACHUSETTS  
INTERDEPARTMENTAL SERVICE AGREEMENT  
ISA FORM INSTRUCTIONS AND ISA POLICY**



request at any time during the period of the ISA. The Seller Department shall cooperate with the Buyer Department to provide whatever information, data or access is necessary to verify ISA performance and expenditures. Buyer and Seller Departments shall provide full access to all ISA records and data to the Office of the Comptroller, the State Auditor's Office and the House and Senate Committees on Ways and Means.

The ISA Form Instructions are incorporated by reference into the ISA Form and do not have to be filed with the completed ISA package. **Buyer and Seller Departments are responsible for reviewing the ISA Form, Instructions and ISA Policy, including hyperlinks.** See [Comptroller Policy Memo #306](#) or as amended, for an electronic copy of the ISA Form with Instructions and ISA Policy and access to the Internet hyperlinks (available at [www.state.ma.us/osc/Accountg/marmemos/memos.htm](http://www.state.ma.us/osc/Accountg/marmemos/memos.htm).)

**BUYER DEPARTMENT INFORMATION**

A Buyer Department is a state Department with statutory authorization to procure commodities and services to implement programs, services or objectives authorized under general or special law. The Buyer Department transfers funds to a Seller Department as compensation for commodities or services provided by the Seller Department through an ISA. Buyer Departments may also be referred to as "Parent Departments", and a Buyer Department allocation account may also be referred to as a "Parent account".

➔ **MMARS DOCUMENT ID:** Enter the state accounting system ([MMARS](#)) transaction (allocation account) number associated with this ISA. This sixteen position number must be structured as follows:

➤ **EXAMPLE:** "AC OSC 1010 2 ITD002"

- 2 position MMARS transaction code (e.g., "AC")
- 3 position Buyer Department MMARS code (e.g., "OSC")
- 4 position Buyer Department Organization Code (e.g., "1010")
- 1 position fiscal year indicator (the last digit of the fiscal year. e.g., "2002" would appear as "2")
- 6 position Department defined identification number. It is recommended that the first three positions represent the Seller Department MMARS code (e.g., "ITD002").

➤ The **MMARS DOCUMENT ID** should be used as a reference number on all transactions, documentation or other correspondence related to the ISA.

➤ **FORMAT OF MMARS DOCUMENT ID:** Most ISAs (even ISAs executed for multiple years) require annual fiscal year transactions. Therefore, the ISA MMARS Document ID **must** remain the same for the duration of the ISA to ensure record copy integrity of the ISA, especially if the ISA is executed for multiple fiscal years.

- The only exception to this rule applies to ISAs with higher education institutions (University of Massachusetts System, Community Colleges and State Colleges) which have the option of accepting an SC (Service Contract ) transaction encumbrance (instead of an allocation account). Unlike the AC or other ISA transactions, the SC has multi fiscal year encumbrance functionality using outyears for subsequent fiscal year encumbrances under the ISA. Once an SC ISA is established, the MMARS Document ID is systematically updated through the CTR annual "approved contract roll" at which time the fiscal year indicator is updated. See Comptroller [Fiscal Year Memos](#) for further guidance.

➔ **BUYER DEPARTMENT NAME:** Enter the full legal Department name and 3 position MMARS Department Code.

➔ **ISA MANAGER:** Identify the authorized ISA Manager who will be responsible for managing the ISA.

➔ **PHONE/FAX/E-MAIL ADDRESS:** Identify the phone, fax number(s) and electronic mail (e-mail) address of the ISA Manager.

➔ **BUSINESS MAILING ADDRESS:** Enter the address where all correspondence to the ISA Manager must be sent. Unless otherwise specified in the ISA, legal notice sent or received by the Buyer Department's ISA Manager (with confirmation of actual receipt) through the listed fax number(s) or electronic mail address for the ISA Manager will meet any requirements for written notice under the ISA.

➔ **COMPENSATION:** This section must be completed by the Buyer Department.

- Indicate whether the ISA is being executed for a Single Fiscal Year or Multiple Fiscal Years.
- **Total Maximum Obligation for Duration of this ISA.** If a Single Year ISA, the amount entered here must be the same as the "Transaction Amount for Current fiscal year obligation" under "COMPENSATION" which must be the amount needed by the Seller Department for the entire fiscal year. If a Multi-year ISA, this amount must represent the full multi-year amount of the ISA.

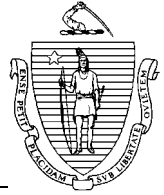
**COMMONWEALTH OF MASSACHUSETTS  
INTERDEPARTMENTAL SERVICE AGREEMENT  
ISA FORM INSTRUCTIONS AND ISA POLICY**



- **Transaction Amount for current fiscal year obligation.** Enter the full amount that will be needed by the Seller Department for the current fiscal year of the ISA.
- MMARS Transactions, irrespective of the duration of the ISA, are generally valid for one fiscal year. For multi-year ISAs, a new MMARS transaction may be required each year. Capital and trust funds may be allocated for more than one year to the extent that funding is available. Most ISAs require an annual allocation (AC) transaction. For ISAs using ACs, complete this section with the AC transaction amount for the current fiscal year, which must be the amount needed by the Seller department for the entire fiscal year.
  - Since Seller Departments are required to make all ISA expenditures only from the authorized ISA child account(s), the Buyer Department must take all necessary steps upon execution of the ISA to ensure that the Seller Department receives an allocation of the full amount needed for the fiscal year in the authorized ISA account(s), or transfers expenditure authority as otherwise prescribed by the Office of the Comptroller, in order to ensure that the Seller Department can timely encumber funds and make payment for its employees, contractors, grantees, etc., from the authorized ISA child account(s), in accordance with Commonwealth payment policies. ISA funds should be in place prior to the start of ISA performance. **Similar to other contracts, ISA funding can be put in place at the opening of the fiscal year, as early as the second week in May, as follows:**
    - **Maintenance Funds (01)** – The new fiscal year Obligation Ceiling can be allocated as early as the second week in May based on provisional numbers in House 1. Automatic allotments will be made periodically directly to the allocation account, after the GAA is loaded. Retained revenue accounts can also be allocated from House 1. Please contact CTR for specific instructions for accounting transactions.
    - **Capital Funds (02)** – The new fiscal year Obligation Ceiling can be allocated as early as the second week in May based on the anticipated balance forward amount. The Obligation Ceiling will be on presence control allowing the AC to process. Allotments will be made directly to the allocation account in accordance with the Capital Spending Plan or by ad hoc allotment requests from the Seller Department. Buyer departments must confirm that the capital account balance forward is sufficient to support the ISA amount.
    - **Trust Funds (03)** – The new fiscal year estimated receipts can be set up as early as the second week in May based upon the financial commitments to the Buyer Department's expendable trust. Contact CTR for specific instructions on accounting transactions.
    - **Federal Funds (04)** – The new fiscal year Obligation Ceiling amount can be allocated as early as the second week in May based upon provisional numbers in House 1. The Expenditure Ceiling will be updated as departments expend and cash is drawn.
- ➔ **TRANSACTION DOCUMENTATION ATTACHED:** (check all that apply)
- \* **ASTA Form.** An ASTA Form is used to establish the Seller Department allocation account ("child account") that will be receiving the ISA funds from the Buyer Department. The ASTA form is required when a Buyer Department is entering into a new ISA relationship with a Seller Department, or to establish an additional Seller Child account for an existing ISA. In these cases, there is not an already established appropriation account on the ASTA Table for the Seller Department. The processing of an ASTA Form, along with the rest of the ISA package (see Required ISA Form Contents below for more information), allows an appropriation account to be set up for the Seller Department on ASTA. ASTAs are valid for the duration of the ISA, subject to appropriation.
  - **Assigning a Seller Department Child Account Number.** A Seller account is created the following way: the first four digits of the Seller child account are the same as the first four digits of other Seller Department accounts (e.g., "8910" are the first four digits of SDE accounts). The last four digits of the Seller child account are the same as the last four digits of the Buyer parent account (e.g., "0100" are the last four of a DPH parent account). Therefore, an ASTA to set up a Seller Child account between Buyer Department DPH and Seller Department SDE would be 8910-0100.

If a second ISA is done between DPH and SDE using the same DPH parent account, the last four digits of the SDE Child account will have to be different and the Departments must check to ensure that any ASTA account number selected does not already exist on the MMARS ASTA table.
  - Parent (Buyer) and Child (Seller) account attributes:
    - ◆ The Parent account must exist in MMARS and the Child account is created with a specific relationship to the Parent account for the ISA,
    - ◆ The Parent account can allocate to one or many Child accounts,
    - ◆ The Child account can only receive funds from one Parent account,
    - ◆ The Child account cannot function as a Parent (i.e. no sub ISA's)
    - ◆ The Parent Account subsidiaries control the subsidiaries in which funds can be allocated to a Child allocation account (i.e. AA to AA, BB to BB, etc.)
    - ◆ If different or additional subsidiaries are required by the Seller Department (which do not currently exist in the Buyer Parent account) the Buyer Department is responsible for processing any inter-subsidiary

**COMMONWEALTH OF MASSACHUSETTS  
INTERDEPARTMENTAL SERVICE AGREEMENT  
ISA FORM INSTRUCTIONS AND ISA POLICY**



transfer (TS) to set up the necessary subsidiaries under the ISA. The TS must be processed as part of the ISA package and must have secretariat and other required internal approvals upon submission of the TS and ISA paperwork to CTR. After an ISA is processed, if the Child account(s) needs an intersubsidiary transfer, the TS must be signed off by the Buyer and Seller Departments (in addition to secretariat and other internal approvals) and submitted to FAD. If any TS results in material changes to the budget or ISA performance, an ISA Amendment is required.

- An allocation account will have the same attributes as the Buyer parent account **except for**:
  - ◆ the effective start date will be equal to the effective start date of the ISA. (See section below under “Anticipated ISA Effective Start Date” for further information);
  - ◆ the end date of the account will be equal to the end date of the ISA but may not exceed the end date of the Buyer (Parent) account on ASTA;
  - ◆ for single year ISAs, the multi year indicator will be coded “N” (NO).
  - ◆ for multi year ISAs, the multi year indicator will be coded “Y” (YES).
- \* **AC Transaction.** An AC Transaction is used to move funds from the Buyer parent account into the Seller Department child account.
  - NOTE: the MMARS Document ID that is assigned to an AC must be the same as the MMARS Document ID that is identified on the Interdepartmental Service Agreement Authorization Form.
  - NOTE: All ASTA and AC Forms must be submitted to CTR, attention Procurement Unit attached to an ISA. Although the Fiscal Affairs Division (FAD) is responsible for setting up and maintaining the ASTA Table and processing ACs, FAD will not process ASTA forms or ACs for an ISA unless these forms are submitted directly by the Office of the Comptroller with a processed ISA.
- \* **SC Transaction.** A Service Contract (SC) encumbrance transaction is only allowable if Seller department is a Higher Education State Department. If an ISA is created with Higher Education as a Seller Department, the Buyer Department has the option to utilize an SC and the Seller may invoice only for amounts required to pay for services rendered. For Multi-Year ISAs with higher education using an SC transaction, the transaction amount must be the same amount that appears under the **Total Maximum Obligation for Duration of this ISA** (since the Buyer Department is capable of encumbering the SC for the current fiscal year and all outyears of the ISA total duration). If an ISA is created where the Buyer Department is an institution of Higher Education and the funds to be utilized are non-appropriated (MMARS Fund 900) the Child account will be established in MMARS Fund 300 and the funds will be moved with an Operating Transfer (OT) transaction entered by the CTR Accounting Bureau.
- \* **Other.** Other interdepartmental transactions may be necessary to carry out ISA business.
  - **IE Transaction.** This option is used for cross fund transfers only and is allowed only upon prior approval by CTR.
  - Any other fiscal transactions will be subject to prior approval by the CTR. CTR will provide guidance when processing other fiscal transactions.

➔ **BUYER ACCOUNT INFORMATION:**

- \* Indicate the 8-digit Buyer Department Appropriation Account(s) which is being utilized to move funds into an allocation account for the Seller Department.
- \* Also, indicate the 3-digit appropriation fund (e.g. 010, 100, 200, 102) that is assigned to the Buyer Department Appropriation Account(s).
  - Note: An ISA Seller child allocation account may not be used to transfer funds to a third Department (there can be no “sub-ISAs”).

➔ **BRIEF DESCRIPTION OF PERFORMANCE:** Enter a brief description of the ISA performance, project name or other identifying information. The description is used to specifically identify the ISA performance, match the ISA with attachments and determine if the appropriate process has been selected. Merely stating “see attached” or referencing attachments without a narrative description of performance is insufficient.

- \* **Request For Response Reference Number.** If the Seller responded to an RFR that was posted on Comm-PASS, enter the RFR Reference Number as posted. If an RFR was not used, indicate “N/A”. Seller Departments may respond to a Request for Response (RFR) or other solicitation of a Buyer Department. If the Seller Department is selected as a contractor, the ISA Form must be used as the “contract” (instead of the applicable Commonwealth Terms and Conditions and Standard Contract Form and Instructions, or other appropriate contract). The RFR and Seller Department’s Response can take the place of **Attachment A - ISA Description of Performance**, however, Departments must still complete the **Attachment B – Anticipated Budget** attachment. 815 CMR 6.00 will govern all fiscal transactions under the ISA.



# COMMONWEALTH OF MASSACHUSETTS INTERDEPARTMENTAL SERVICE AGREEMENT ISA FORM INSTRUCTIONS AND ISA POLICY



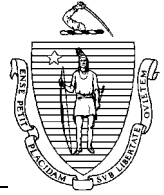
- ➔ **ANTICIPATED ISA EFFECTIVE START DATE:** The Buyer Department must enter the "anticipated" start date of the ISA. However, the legal effective start date of the ISA is determined by the latest execution dates of the ISA by the Buyer and Seller Departments, or a later date identified in the ISA. **NOTE:** CTR and FAD may correct the dates for ISA transactions in the state accounting system ([MMARS](#)) to reflect the legal ISA Effective Start Date.
- Buyer and Seller Departments entering into an ISA must execute the Interdepartmental Service Agreement (ISA) Form prior to the start of performance, and file the ISA and required attachments as prescribed by the Office of the Comptroller.
- **ISA Duration.** ISAs can be executed for the duration that makes sense from a business perspective. Multi-Year ISAs are encouraged if it best supports the Buyer and Seller business processes. Similar to other types of contracts, all ISAs are subject to appropriation or other available funding. Therefore, Departments can enter into a Multi-year ISA even if funding (e.g., AC) transactions have to be processed annually to support each fiscal year of the ISA. For Multi-year ISAs that require annual processing of a funding (e.g., AC) transaction, Buyer and Seller Departments are responsible for ensuring that the funding is in place in the authorized Seller Child account(s) to ensure that the Seller Department can timely encumber funds and pay employees, contractors, grantees, etc., from the authorized ISA child account(s), in accordance with Commonwealth payment policies.
  - **Unauthorized performance prior to legal ISA effective start date.** Seller Departments are not authorized to provide performance prior to the legal ISA Effective Start Date of an ISA. **Pursuant to the 815 CMR 6.00 Regulation** "the effective start date of an ISA shall be the later of: the date the ISA was executed by an authorized signatory of the Buyer Department; the date the ISA was executed by an authorized signatory of the Seller Department; or a later date as specified in the ISA."
- ➔ **TERMINATION DATE OF THIS ISA:** The Buyer Department must enter the date the ISA will terminate. An ISA must be signed for the full duration and amount in accordance with what is negotiated between the Buyer and Seller Department. Amendments to extend the termination date, such as renewals, must be made using the Interdepartmental Service Agreement Amendment Form and must be signed by both the Buyer and the Seller Department PRIOR to the termination date (or as previously amended) in accordance with 815 CMR 6.00.
- ➔ **AUTHORIZING SIGNATURE FOR BUYER DEPARTMENT/DATE:** The Authorized Buyer Department Signatory must, in their own handwriting and in ink, sign AND enter the date the ISA is signed. Signature by the Buyer Department certifies that the Buyer Department is statutorily authorized or required to procure the type of performance under the ISA, that sufficient funds are available for the ISA, and that the ISA and ISA attachments are in compliance with 815 CMR 6.00 and all other requirements of law.
- \* **Rubber stamps, typed or other images are not acceptable.** See CTR annual Department Head Signature Authorization Policy for the policy requiring live signatures and signature dates.
  - \* These requirements must be met even though the original or "record copy" of the ISA will be retained by the Buyer Department, and only copies will be submitted to CTR for processing. (See section on [RECORD MANAGEMENT OF ISAS](#) below).
- ➔ **NAME /TITLE:** The Buyer Department Authorized Signatory's name and title must appear legibly.
- **NOTE:** Secretariat signoff is not required in order for CTR to process an ISA. However, Seller and Buyer Departments are required to follow any internal secretariat procedures when obtaining authorization for an ISA (or for certain ISA transactions such as an intersubsidiary transfer "TS") prior to submission to CTR. All ISAs are periodically reviewed by CTR to verify that the signatories are authorized by their Department Head to execute contracts.

## SELLER DEPARTMENT INFORMATION

A Seller Department is a state department which is mandated or authorized in statute to provide the type of services, commodities or programs which are requested or required by a Buyer Department. A Seller Department provides commodities or services, and receives a transfer of funds from a Buyer Department through a Interdepartmental Service Agreement (ISA). Seller Departments may also be referred to as "Child Departments", and a Seller Department ISA account may also be referred to as a "Child account".

- The Seller Department may not begin performance or incur any obligation prior to the execution of an ISA. ISAs must be executed prior to ISA performance. ISAs can be processed against House 1 (for most account types) or based upon anticipated funds (capital and trust funds) when the fiscal year opens in May. Departments do not have to wait until the final annual budget is passed to execute an ISA, but can process funding for an ISA at the opening of the fiscal year, as early as the second week in May. See instructions under "[COMPENSATION](#)" section above.

**COMMONWEALTH OF MASSACHUSETTS  
INTERDEPARTMENTAL SERVICE AGREEMENT  
ISA FORM INSTRUCTIONS AND ISA POLICY**



- The Seller Department may expend funds for ISA performance only from the authorized ISA child account(s).
  - The Seller Department is required to ensure that the ISA and funding are in place in order to timely encumber funds and pay employees, contractors, grantees, etc., **from the authorized ISA child account(s)**, in accordance with Commonwealth payment policies.
  - The Seller has an obligation to notify the Office of the Comptroller, or otherwise seek assistance, whenever the Seller anticipates a delay in receiving funds for which performance is expected.
  - When expending ISA funds, Seller Departments must treat these funds the same as any other contract funds, and conduct procurements and make expenditures in accordance with the same state finance law and applicable general and special state and federal laws that apply to other types of contracts that the Seller Department procures. For example, if the Seller Department receives ISA funds to fund a contract or grant, the Seller Department must comply with the relevant procurement requirements for that contract (e.g., [G.L. c. 7, c. 22, 801 CMR 21.00](#), other applicable requirements and [Comptroller Policy Memo #304](#)) or grant (e.g., see [Grants and Subsidies Policy](#), 815 CMR 2.00 and [How to Determine if a Grant or Contract?](#))
  - ISAs may not generate a “profit” for the Seller Department. ISAs may only be used to compensate a Seller Department for providing requested commodities and services, not to supplement a Seller Department’s current available funding to pursue its own mission (such as offsetting all or a portion of administrative costs, equipment or for current personnel not designated for ISA performance). In no event should ISA rates exceed the actual costs to the Seller Department for providing the ISA commodities and services, unless otherwise specified by law.
- ➔ **SELLER DEPARTMENT NAME:** Enter the full legal Seller Department name and MMARS 3-position Department Code.
- ➔ **ISA MANAGER:** Identify the authorized Seller Department ISA Manager who will be responsible for managing the ISA.
- ➔ **PHONE/FAX/E-MAIL ADDRESS:** Identify the phone, fax number(s) and electronic mail (e-mail) address for the ISA Manager.
- ➔ **BUSINESS MAILING ADDRESS:** Enter the address where all correspondence to the ISA Manager must be sent. Unless otherwise specified in the ISA, legal notice sent or received by the Seller Department’s ISA Manager (with confirmation of actual receipt) through the listed fax number(s) or electronic mail address for the ISA Manager will meet any requirements for written notice under the ISA.
- ➔ **SELLER ACCOUNT INFORMATION:**
- \* Indicate the 8-digit Seller Department Appropriation Account(s) which is or are being established to accept funds from the Buyer Department. See [“Assigning A Seller Department Child Account Number”](#) above.
  - \* Also, indicate the 3-digit appropriation fund (e.g. 010, 100, 200, 102) that is assigned to the Seller Account, which should be the same fund as the Buyer Parent account.
- ➔ **AUTHORIZING SIGNATURE FOR SELLER DEPARTMENT/DATE:** The Authorized Seller Department Signatory must, in their own handwriting and in ink, sign AND enter the date the ISA is signed. Signature of the Seller Department certifies that the Seller Department is statutorily authorized to provide the type of performance sought by the Buyer under the ISA, that the ISA and ISA attachments are in compliance with 815 CMR 6.00 and all other requirements of law.
- \* **Rubber stamps, typed or other images are not accepted.** See CTR annual Department Head Signature Authorization Policy for the policy requiring live signatures and signature dates.
  - \* These requirements must be met even though the original or “record copy” of the ISA will be retained by the Buyer Department, and only copies will be submitted to CTR for processing. (See section on [Record Management of ISAs](#) below).
- ➔ **NAME /TITLE:** The Seller Department Authorized Signatory’s name and title must appear legibly.
- **NOTE:** Secretariat signoff is not required in order for CTR to process an ISA. However, Seller and Buyer Departments are required to follow any internal secretariat procedures when obtaining authorization for an ISA (or for certain ISA transactions such as an intersubsidiary transfer “TS”) prior to submission to CTR. All ISAs are periodically reviewed by CTR to verify that the signatories are authorized by their Department Head to execute contracts.

**REQUIRED ISA FORM CONTENTS**

- ➔ Buyer and Seller Departments must complete an ISA using the ISA Form issued by CTR. Since this form is issued electronically in Microsoft WORD®, (see Comptroller Policy Memo #306 under [Comptroller Policy Memos](#)) Departments

# COMMONWEALTH OF MASSACHUSETTS INTERDEPARTMENTAL SERVICE AGREEMENT ISA FORM INSTRUCTIONS AND ISA POLICY



can insert required data and may also insert any additional terms or conditions that are not in conflict with 815 CMR 6.00 or the ISA Instructions and Policy. Departments may not change the content of the forms.

**ALL ISAS must contain the following contents:**

- ➔ The one (1) page **ISA Form** completed and executed by authorized signatories of both Buyer and Seller Departments in accordance with these ISA instructions and policies; **The ISA Form Instructions and ISA Policy are incorporated by reference and are not required to be filed as part of the copy of the ISA Form submitted to CTR for processing.**
- ➔ **Attachment A - Description of Performance.** Departments must use this attachment. Reference to attachments without a narrative description of performance is insufficient. Insert (type or copy and paste) all required information using as many pages as necessary. This attachment should contain a detailed description of performance expectations, dates of performance, locations, any individuals assigned to performance, and any additional terms and conditions. The form is available electronically in Policy Memo #306 under [Comptroller Policy Memos](#).
  - \* **Identify Reporting Requirements.** Departments must specify Seller Department reporting requirements which should include the type of reports (e.g., progress or status, data, etc.), timing of reports (e.g., weekly, monthly, final) and the medium for submission of reports (e.g., e-mail, Excel spreadsheet, paper, telephone).
- ➔ **Attachment B - Anticipated Budget.** Departments must use this attachment. Insert all required information and use as many additional lines and pages as necessary. This form is available electronically in Comptroller Policy Memo #306 under [Comptroller Policy Memos](#). This attachment must breakdown the specifics of the ISA funding, by fiscal year, Seller (child) account, subsidiary, description and amount. For multi-year ISAs the Attachment must provide a subtotal each fiscal year of the ISA (which equals each fiscal year's anticipated maximum obligation). All ISAs must provide a total maximum obligation for the total duration of the ISA (which must equal the total of all fiscal year subtotals) and must match the "Total Maximum Obligation for Duration of ISA" on the executed ISA.
  - \* Check "Initial ISA Budget"
  - \* Complete Columns A-E
    - Column "A" (**Fiscal Year**) Enter the fiscal year of the ISA. For Multi year ISAs Column "A" must list planned expenditures by each fiscal year.
    - Column "B" (**Seller Child Account**) Enter the number of the Seller Child account listed on the ISA Form. For ISAs using multiple Seller Child Accounts, Column B must list planned expenditures for each Seller child account.
    - Column "C" (**Subsidiary**) Enter the subsidiary as outlined in the Office of the Comptroller [Expenditure Classification Handbook](#) (for example, "AA" for Employee compensation, "EE" for Administrative Expenses, "HH" for Consultant Contracts, etc.)
    - Column "D" (**Description**) Enter a brief description of the type of authorized budget expenditure or category, (e.g., "Conference Materials", or "Program Manager", etc.)
    - Column "E" (**Current Amount**) Enter the amount for the budget item authorized under the ISA for each fiscal year.
    - Columns "F", "G" and "H" should be left blank. These columns should be completed only if this budget is subsequently amended.
    - **Fiscal Year Subtotals and Total Maximum Obligation.**
      - **Fiscal Year Subtotals.** For single fiscal year ISAs Enter the fiscal year (e.g., "Fiscal Year 2002") and enter the subtotal of all "Current Amounts" (Column E) for that fiscal year. For Multi-year ISAs, enter each fiscal year of the ISA as a separate subtotal and enter the subtotal of all "Current Amounts" for each fiscal year.
      - **Total Maximum Obligation for Duration of this ISA.** Enter the Total Maximum Obligation for the Duration of this ISA for all fiscal years (as identified on the executed ISA Form). For single fiscal year ISAs, this amount should be the same as the Fiscal Year Subtotal. For Multi-fiscal year ISAs, this amount should equal the total of all the listed fiscal year subtotals.
- ➔ Attach the applicable MMARS Transaction(s) signed by an authorized signatory of the Buyer Department (and the Seller Department whenever required). See section on "Compensation" above for more information about transactions.

## RECORDS MANAGEMENT OF ISAS.

Buyer and Seller Departments entering into an ISA must execute the ISA Form prior to the start of performance, and file the ISA and required attachments as prescribed by the Office of the Comptroller. Massachusetts [G.L. c. 7A, s. 5](#) requires that the original of all contracts be filed as directed by the Comptroller.

- \* The **Buyer Department** will retain the "record copy" or original of all ISAs, amendments and ISA transactions.

# COMMONWEALTH OF MASSACHUSETTS INTERDEPARTMENTAL SERVICE AGREEMENT ISA FORM INSTRUCTIONS AND ISA POLICY



- \* The Buyer Department will be responsible for maintaining and archiving the record copy of all ISAs in accordance with the records retention schedule issued by the Records Conservation Board of the Secretary of State. The archiving period for ISAs is the same as for any other contract (7 years).
- \* **Copies** of ISAs, amendments and ISA transactions should be submitted to CTR for review and processing. Any original documents will be returned to the Buyer Department.
- \* The Seller Department is required to maintain a **copy** (or duplicate original) of all ISAs, amendments and ISA transactions as part of its contract files for the duration of any ISA and for at least one year following the last expenditure made under the ISA, as otherwise specified in disposal schedules issued by the Records Conservation Board.
- \* Please see Comptroller Policy Memo # 305 under [Comptroller Policy Memos](#).

## ISA AMENDMENTS

The ISA Amendment Form must be used to document all amendments to an ISA including renewals, extending the period of performance, changing the description of performance, changing costs, etc. An ISA Amendment Form **MUST** be signed by the Buyer Department and the Seller Department **PRIOR** to the termination date listed in the ISA (or as amended). Buyer and Seller Departments must attach all relevant documentation to support the amendment.

**Terminated ISAs May Not Be Amended.** An ISA which is not amended prior to its termination date terminates by operation of law and can not be amended. A Seller Department is not authorized to continue performance after the termination date of an ISA even if the Buyer Department has notified the Seller Department that it desires to amend the ISA.

In the event an ISA needs to be continued, the Buyer and Seller Departments must complete a new ISA in accordance with these instructions. Performance may not begin prior to the effective date of the new ISA.

## CLOSING OUT A FISCAL YEAR FOR A SINGLE YEAR ISA

**Account Type 01 (maintenance accounts).** Uncommitted and unexpended balances in allocation accounts will not be returned to the parent account, unless the parent has a Prior Appropriation Continued (PAC). With this one exception, all other unspent balances in maintenance allocation accounts will revert.

**Account Types 02 and 03 (capital and trust).** The Office of the Comptroller will return uncommitted and unexpended balances in allocation accounts to the parent account at the end of the fiscal year accounts payable period.

**Account Type 04 (federal grants).** Uncommitted balances do not balance forward, therefore no adjustment is required. In the unlikely event that an unexpended balance remains in the allocation account, Office of the Comptroller will move the cash to the parent account and adjust any future cash draws accordingly.

## CLOSING OUT AND OPENING EACH FISCAL YEAR FOR MULTI-YEAR ISA

**Account Type 01 (maintenance accounts).** Uncommitted and unexpended balances in allocation accounts will not be returned to the parent account at the end of the fiscal year, unless the parent has a PAC authorization. It is the responsibility of the Buyer Department to determine how the PAC authorization should be distributed between the parent and child allocation accounts, and to notify CTR Accounting personnel in writing accordingly.

**Account Type 02 and 03 (capital and trust).** Uncommitted and unexpended balances will balance forward into the new fiscal year, therefore Buyer Departments should factor in any balance forward in the child account when computing the AC for the new fiscal year.

**Account Type 04 (federal grant).** Uncommitted balances will not balance forward, therefore a new AC transaction is required. In the unlikely event that an unexpended balance remains in the allocation account, the balance will be brought forward in the child account and will update both the unexpended and uncommitted balances. Therefore the Buyer Department should factor in any balance forward in the child account when computing the AC transaction for the next fiscal year.

## HELPFUL INFORMATION LINKS FOR DEPARTMENTS

[Massachusetts General Laws](#); [Code of Massachusetts Regulations](#); ([Partial CMR Listing](#) and [Commonwealth Website partial CMR listing](#)) [Overview of State Accounting](#); [State Finance Law](#); [Expenditure Classification Handbook](#); [Fiscal Year Closing/Opening Instructions](#); [Comptroller Policy Memos](#); [CTR Fiscal Year Memos](#); [CTR Payroll Memos](#); [Security Officer Information](#); [Department Key Contacts](#); [Financial Reporting Responsibilities](#); [Commonwealth of Massachusetts Website](#); [Fixed Asset Subsystem User Guide](#); [Internal Control Information](#); [Administrative Bulletins](#); [Required Transaction Certification Language](#); [Legislative Home Page with FY GAA and Bills](#); [Massachusetts Executive Orders](#).